711 Capitol Way, Room 206 Olympia Washington

Public Disclosure Commission

Jane Noland, Chair Bill Brumsickle, Vice-Chair Ken Schellberg, Secretary Mike Connelly, Member Earl Tilly, Member

November 30, 2006

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Legislative Matters

The Commission unanimously voted to ask the governor and legislative leadership to place additional campaign finance limitations on organizations including corporations, unions, and membership associations. The Commission's suggestions will include:

- Prohibit the use of an organization's general treasury funds for independent expenditures or electioneering communications to influence state executive, legislative, and supreme and court of appeals elections.
- Prohibit the contribution of general treasury funds to PACs who would make independent expenditures or electioneering communication to influence state executive, legislative, and supreme and court of appeals elections.
- Place a dollar limit on the amount an individual or PAC (including a party or caucus committee) may annually contribute to a PAC supporting or opposing the four types of candidates. Also limit the amount these PACs may annually receive from any source.
- Impose an overall annual cap on the amount of aggregate contributions an individual or political committee may contribute to all PACs supporting or opposing candidates for state and judicial office.

The Commission will also offer recommendations for strengthening the campaign disclosure provisions.

Enforcement

Hearings:

Claudia Kalles and Ted May were found in violation of RCW 42.17.120 for their participation in efforts to conceal the identity of the true source of contributions given to a 2006 Grays Harbor County Assessor candidate. Both Kalles and May worked in the assessor's office and Kalles was the campaign manager for assessor candidate, Cherri Rose-Konschu. Rose-Konschu and a former county assessor ran for an open seat in 2006. May made two contributions of \$1,000 each to the Rose-Konschu campaign by writing checks made payable to Kalles who deposited the checks into the campaign account and reported to the PDC that she and her husband had contributed the funds.

Claudia Kalles entered into a Stipulation to Facts, Violations and Penalty with staff whereby she agreed to pay a penalty of \$7,500. \$5,000 of the penalty is suspended on two conditions: 1) that **Kalles** never again serves as a treasurer or deputy treasurer or receives, accounts for, or deposits campaign contributions in any future election campaign for public office and 2) that she commits no further violations of RCW 42.17 in the next four years. The Commission accepted the Stipulation.

Ted May entered into a Stipulation to Facts, Violations and Penalty with staff whereby he agreed to pay a penalty of \$7,500. \$5,000 of the penalty is suspended on the condition that he commits no further violations of RCW 42.17 in the next four years. The Commission accepted the Stipulation.

Electronic Filing Exception:

The Commission denied a request from **Kathleen Vaughn** for an exception from electronic filing. **Vaughn**, a 2006 candidate for Snohomish County PUD Commissioner, must electronically file all campaign reports within 30 days of being notified that her request was denied.

Commissioners Noland, Brumsickle, Schellberg, and Tilly bid farewell to Commissioner Mike Connelly, whose term ends December 31, 2006.

The Commission meeting materials may be found at www.pdc.wa.gov under Commission Meetings. For additional information concerning these issues contact Lori Anderson, Communications & Training Officer, at (360) 664-2737, toll free 1-877-601-2828 or e-mail at landerson@pdc.wa.gov.

The next regular meeting of the Public Disclosure Commission is tentatively scheduled for January 25, 2007.